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CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE 27 January 1955

MEMORANDUM FOR:

Deputy Director (Intelligence)

SUBJECT:

Offshore Island Situation

25X1 General

The French Press Agency in Shanghai reported on 26 January that new antiaircraft positions were being set up and searchlight batteries were being reinforced in Shanghai. added that no one in Shanghai believed US participation in the The dispatch evacuation of the Tachens would lead to a "military showdown."

Associated Press in Tokyo monitored a Peiping broadcast of 26 January which asserted that Communist China "will never be intimidated" by the US 7th Fleet and predicted "final" victory over Formosa. There was no mention, in the AP account, of a Communist threat to take early action against Nationalist-held

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Decament No. _ No Change in Class. 🔀

Declassified Class. Changed To: TS S G Anth.: HR 70-2

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Thirty-nine dependents of Ichiang defenders as well as a few Tachen dependents and war orphans were evacuated from Tachen by LCM to Keelung in Formosa on 25 January. No additional information is available regarding Nationalist plans for evacuation of other dependents and civilians. Such plans probably await indications regarding US participation.

Matsu

Taipei press reports that a Communist fleet shelled the Matsu group for several minutes on 26 January and that an amphibious assault was repelled by Nationalist forces. There has been no confirmation of this report. The Matsu command has demonstrated its edginess with previous reports of attempted "amphibious invasions." In every case, these have merely involved fishing junks which approached the Matsus. It is possible, however, that the 10-20 lightly-armed Communist patrol vessels based at Foochow are now being used to harass the Matsus with gunfire and to test island defenses.

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